

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF LOUISVILLE) CASE NO. 9174-C
GAS AND ELECTRIC COMPANY FROM)
NOVEMBER 1, 1985, TO APRIL 30, 1986)

O R D E R

On May 27, 1986, we ordered Louisville Gas and Electric Company ("LG&E") to provide a record of scheduled, actual and forced outages, and a calculation of over- or under-recovery of fuel costs for the 6-month period under review.

LG&E provided the data requested and filed its monthly fuel adjustment computations for the 6-month period under review. Following proper notice, a hearing was held on July 22, 1986.

The sole intervenor was the Consumer Protection Division of the Attorney General's Office ("AG"). The AG did not offer testimony and did not challenge the level of actual fuel cost included in LG&E's monthly fuel filings.

On May 13, 1985, in Case No. 9174, the Commission fixed LG&E's base fuel cost at 15.11 mills per Kwh. A review of LG&E's monthly fuel clause computations shows that the actual fuel cost incurred for the 6-month period under review ranged from a low of 13.87 mills in April 1986 to a high of 15.10 mills in December 1985. The record in this case, the coal market conditions during

this period and the data filed in support of the fuel adjustment clause rates indicate that the actual fuel costs included in the monthly fuel adjustment clause filings were reasonable.


The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

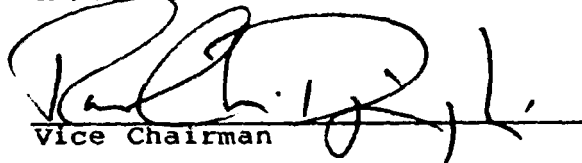
1. LG&E has complied in all material respects with the provisions of 807 KAR 5:056 for the period under review.

IT IS THEREFORE ORDERED that the charges and credits billed by LG&E through the fuel adjustment clause for the period November 1, 1985, through April 30, 1986, be and they hereby are approved.

Done at Frankfort, Kentucky, this 4th day of September, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director